



August 15, 2008

**By Hand**

Mary L. Cottrell, Secretary  
Massachusetts Department of Public Utilities  
One South Station, 2nd Floor  
Boston, MA 02110

Re: Memoranda issued by the Department of Public Utilities – Request to  
Increase Funding for Residential Energy Efficiency Programs  
D.P.U./D.T.E. 05-53 FG&E Gas Energy Efficiency Report 2008  
D.P.U. 08-30 FG&E Electric Energy Efficiency Plan 2008

Dear Secretary Cottrell:

On behalf of Fitchburg Gas and Electric Light Company, d/b/a Unitil (“Unitil”), please accept this letter as Unitil’s Proposal to Increase Funding for Residential Energy Efficiency Programs as requested by the Department in its memoranda dated July 25, 2008, and August 1, 2008, respectively.

In its memoranda the Department requested that all program administrators submit a proposal that includes revised 2008 program budgets that will allow for the implementation of the maximum achievable level of cost-effective expenditures on residential heating programs for the remainder of 2008. Accordingly, Unitil submits as Attachment A revised 2008 program budgets for its electric residential non-low income sector retrofit program, MassSave (including HEAT Loan financing), and residential low-income sector program, Low Income Retrofit. In addition, Unitil submits as Attachment B revised 2008/09 program budgets for its gas residential non-low income sector programs, Residential GasNetworks and Residential Weatherization and low-income sector program, Gas Residential Low-Income.

To develop the revised budgets, Unitil performed a program status review and worked closely with our lead Low-Income Program weatherization network vendor the Montachusett Opportunity Council (MOC) to project the additional dollars the company could spend in a cost-effective manner. At the proposed funding level, the company does not foresee any constraints that would limit its ability to spend the additional budgeted dollars cost effectively. The revised budget reflects an increase in current year activity in these programs of approximately 30%.

Gary Epler  
Chief Regulatory Counsel  
6 Liberty Lane West  
Hampton, NH 03842-1720  
Phone: 603-773-6440  
Fax: 603-773-6640  
Email: epler@unitil.com

The Department also requested that the company's proposal include: the additional number of residential customers that will be served; the additional kilowatt-hour, kilowatt; therms or mmbtu savings that will be achieved; and the savings on monthly bills that additional participants will be expected to realize. This information is included in the proposal as Attachments C and D. Based on a high level review of these projected energy savings and costs, the company does not believe that the increase in expenditures will have a significantly adverse affect on the cost-effectiveness of the applicable programs.

The Department's memorandum of July 25, 2008, also requests that companies file a proposed mechanism for recovery of incremental and other associated costs related to the implementation of its 2008 Energy Efficiency Plan. Unitil will include the incremental costs for its expanded 2008 gas energy efficiency programs in its upcoming winter Cost of Gas Adjustment/Local Distribution Adjustment filing. With respect to the expanded electric energy efficiency programs, we are proposing a modification of the Company's existing Energy Efficiency Charge, Schedule EEC, to include an Energy Efficiency Reconciliation Factor (EERF).

The recovery of the costs of the expanded energy efficiency programs raises several concerns relative to Unitil's customers:

1. The existing EEC mechanism imposes a uniform charge across all customers in Massachusetts in support of energy efficiency. This charge is limited by statute, creating a financial cap on program budgets. In addition, given high program demand in 2005 and 2006 in the Unitil service territory, the company has had to defer cost recovery of some costs to future periods. This has put additional financial constraints on program activity.
2. With the elimination of those constraints as a result of the Act, the distribution companies in Massachusetts will be able to increase energy efficiency program activities. Based upon variable factors in different service areas, this could result in differential increases in program costs and corresponding rates across the state. The statutory provision imposing an identical rate surcharge on all customers is now eliminated.

These issues raise specific concerns in Unitil's service territory because of the high proportion of low income customers and the much lower median income levels of its customers compared to the other utilities. Aggressive increases in Unitil's energy efficiency program activities, if recovered only from its customers, could result in a disproportionately large rate impact on a customer base with disproportionately low incomes.

To address these concerns, the company proposes that a share of its increased costs for energy efficiency programs in 2008 and 2009 be funded with grants from the state RGGI revenues. Such grants will help to off-set the rate impacts of the ramp-up in energy efficiency programs in this period.

The revised Schedule EEC provides that the EERF become effective on the first day of each calendar year, or in this case, January 1, 2009. The revised Schedule EEC is provided in this filing as Attachment E. The EERF is designed to recover incremental program expenses and associated Shareholder Incentives as well as incremental lost base revenues for EE measures undertaken in 2008 and 2009. In addition we are proposing a rebalancing of EE cost recovery to assure that recovery of EE program under-recoveries are completed during CY2009, before the new three year EE program cycle begins. In addition, the EERF recovery will be net of revenues provided by grants from state RGGI funds. The actual rate and associated calculations will be filed with the Department as part of the Company's 2009 Energy Efficiency Plan.

We look forward to working with the Department and other parties on this very important initiative to increase energy efficiency efforts in the Commonwealth of Massachusetts.

Sincerely,

*/s/ Gary Epler*

Gary Epler  
Attorney for Unitil

cc: Benjamin Spruill, Hearing Officer DPU  
George Yiankos, Director, Gas Division DPU  
Jaimie Tosches, Assistant Attorney General  
Tackey Chan, Assistant Attorney General  
Steven I. Venezia, Deputy General Counsel, DOER  
Jerrold Oppenheim, LEAN

**REVISED Table II-2: Detailed Program Budgets - 2008**  
**Residential Non Low-Income**

SectorCategoryProgram			A001 Program Planning & Admin	A002 Marketing- Advertising	A003 Customer Incentive	A004 Sales, Technical Assistance & Training	A005 Eval & Market Research	A006 Participant Cost	A007 Performance Incentive	Grand Total	
A - Residential	02 - Lost Opportunity		A02a ENERGY STAR Homes	\$5,679	\$1,731	\$21,700	\$18,588	\$2,303	\$28,367	\$4,112	\$82,478
	02 - Lost Opportunity Total			\$5,679	\$1,731	\$21,700	\$18,588	\$2,303	\$28,367	\$4,112	\$82,478
	03 - Retrofit		A03a MassSave	\$8,468	\$11,050	\$45,280	\$47,304	\$7,897	\$23,919	\$5,748	\$149,667
	03 - Retrofit Total			\$8,468	\$11,050	\$45,280	\$47,304	\$7,897	\$23,919	\$5,748	\$149,667
	04 - Products & Services Total			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	05 - Information & Education		A05a Website / Awareness	\$1,640	\$0	\$0	\$14,760	\$0	\$0	\$0	\$16,400
	05 - Information & Education Total			\$1,640	\$0	\$0	\$14,760	\$0	\$0	\$0	\$16,400
	06 - Research & Development & Pilots		A06b ISO-Related Expenses	\$803	\$0	\$0	\$6,186	\$0	\$0	\$0	\$6,989
	06 - Research & Development & Pilots Total			\$803	\$0	\$0	\$6,186	\$0	\$0	\$0	\$6,989
	07 - General Support		A07a NUP Collaborative	\$1,609	\$0	\$0	\$0	\$0	\$0	\$0	\$1,609
			A07b DOER Assessment	\$2,201	\$0	\$0	\$0	\$0	\$0	\$0	\$2,201
			A07x Perf. Incentive Tax Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$6,365	\$6,365
07 - General Support Total			\$3,810	\$0	\$0	\$0	\$0	\$0	\$6,365	\$10,175	
A - Residential Total			\$20,400	\$12,781	\$66,980	\$86,838	\$10,200	\$52,285	\$16,225	\$265,710	

**REVISED Table II-2: Detailed Program Budgets - 2008 (cont.)**  
**Residential Low-Income**

Sector	Category	Program	A001 Program Planning & Admin	A002 Marketing- Advertising	A003 Customer Incentive	A004 Sales, Technical Assistance & Training	A005 Eval & Market Research	A006 Participant Cost	A007 Performance Incentive	Grand Total
B - Low Income	02 - Lost Opportunity	B02a Res. LI New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	02 - Lost Opportunity Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>03 - Retrofit</b>	<b>B03a LI In-Home Services</b>	<b>\$17,310</b>	<b>\$14,924</b>	<b>\$64,648</b>	<b>\$55,149</b>	<b>\$6,242</b>	<b>\$0</b>	<b>\$8,243</b>	<b>\$166,517</b>
	03 - Retrofit Total		\$17,310	\$14,924	\$64,648	\$55,149	\$6,242	\$0	\$8,243	\$166,517
	05 - Information & Education	B05a Website / Awareness	\$200	\$0	\$0	\$1,800	\$0	\$0	\$0	\$2,000
	05 - Information & Education Total		\$200	\$0	\$0	\$1,800	\$0	\$0	\$0	\$2,000
	06 - Research & Development & Pilots	B06b ISO-Related Expenses	\$402	\$0	\$0	\$3,093	\$0	\$0	\$0	\$3,495
	06 - Research & Development & Pilots Total		\$402	\$0	\$0	\$3,093	\$0	\$0	\$0	\$3,495
	07 - General Support	B07b DOER Assessment	\$1,101	\$0	\$0	\$0	\$0	\$0	\$0	\$1,101
		B07x Perf. Incentive Tax Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$5,322	\$5,322
	07 - General Support Total		\$1,101	\$0	\$0	\$0	\$0	\$0	\$5,322	\$6,422
B - Low Income Total			\$19,013	\$14,924	\$64,648	\$60,042	\$6,242	\$0	\$13,565	\$178,434

**REVISED Table II-2: Detailed Program Budgets - 2008 (cont.)**  
**Commercial and Industrial Programs**

Sector	Category	Program	A001 Program Planning & Admin	A002 Marketing- Advertising	A003 Customer Incentive	A004 Sales, Technical Assistance & Training	A005 Eval & Market Research	A006 Participant Cost	A007 Performance Incentive	Grand Total
C - C & I	02 - Lost Opportunity	C02a C&I New Construction	\$13,170	\$126	\$55,771	\$41,098	\$12,636	\$37,181	\$6,559	\$166,541
	02 - Lost Opportunity Total		\$13,170	\$126	\$55,771	\$41,098	\$12,636	\$37,181	\$6,559	\$166,541
	03 - Retrofit	C03a Large C&I Retrofit	\$39,579	\$9,626	\$162,285	\$121,364	\$35,549	\$193,865	\$19,677	\$581,946
		C03b Small C&I Retrofit	\$21,003	\$4,065	\$91,557	\$64,013	\$17,734	\$43,243	\$10,595	\$252,209
	03 - Retrofit Total		\$60,582	\$13,691	\$253,842	\$185,377	\$53,283	\$237,108	\$30,272	\$834,155
	04 - Products & Services	C04a MotorUp	\$1,125	\$0	\$0	\$8,875	\$0	\$0	\$534	\$10,534
		C04b Cool Choice	\$1,125	\$0	\$0	\$8,875	\$0	\$0	\$534	\$10,534
	04 - Products & Services Total		\$2,250	\$0	\$0	\$17,750	\$0	\$0	\$1,068	\$21,068
	05 - Information & Education	C05a Website / Awareness	\$1,907	\$0	\$0	\$17,163	\$0	\$0	\$0	\$19,070
	05 - Information & Education Total		\$1,907	\$0	\$0	\$17,163	\$0	\$0	\$0	\$19,070
	06 - Research & Development & Pilots	C06b ISO-Related Expenses	\$2,142	\$0	\$0	\$16,496	\$0	\$0	\$0	\$18,638
	06 - Research & Development & Pilots Total		\$2,142	\$0	\$0	\$16,496	\$0	\$0	\$0	\$18,638
	07 - General Support	C07a NUP Collaborative	\$4,826	\$0	\$0	\$0	\$0	\$0	\$0	\$4,826
		C07b DOER Assessment	\$5,870	\$0	\$0	\$0	\$0	\$0	\$0	\$5,870
		C07x Perf. Incentive Tax Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$24,466	\$24,466
	07 - General Support Total		\$10,696	\$0	\$0	\$0	\$0	\$0	\$24,466	\$35,161
C - C & I Total			\$90,748	\$13,816	\$309,613	\$277,884	\$65,919	\$274,289	\$62,365	\$1,094,634
<b>Grand Total</b>			<b>\$130,160</b>	<b>\$41,522</b>	<b>\$441,242</b>	<b>\$424,764</b>	<b>\$82,360</b>	<b>\$326,574</b>	<b>\$92,155</b>	<b>\$1,538,777</b>

Fitchburg Gas and Electric Light Company, d/b/a Unitil  
Gas Energy Efficiency Plan Update

REVISED Attachment 1 - Program Budget Summary  
May-08 through April-09

Ln	Program / Initiative	Program Planning & Administration Expenditures	Program Marketing Expenditures	Customer Incentives Expenditures	Program Implementation Expenditures	Evaluation & Market Research Expenditures	Total Expenditures	No. of Rebates or Participants	Total Annual Savings (MMBTu)	Total Lifetime Savings (MMBTu)
<b>Residential</b>										
1	Residential Gas Networks (1)	\$ 8,159	\$ 3,930	\$ 23,201	\$ 6,750	\$ 421	\$ 42,461			
	ENERGY STAR Thermostat Rebate	-	-	-	-	-	-	29	220	2,197
	ENERGY STAR Windows	-	-	-	-	-	-	99	23	455
	High Efficiency Heating Rebate	-	-	-	-	-	-	32	496	9,175
	High Efficiency Water Heating Rebate	-	-	-	-	-	-	30	148	2,197
2	Residential Weatherization	\$ 6,094	\$ 3,025	\$ 22,254	\$ 8,629	\$ -	\$ 40,002	13	916	17,958
3	<b>Total Residential</b>	\$ 14,252	\$ 6,955	\$ 45,455	\$ 15,379	\$ 421	\$ 82,463	203	1,802	31,982
<b>Low Income</b>										
4	Residential Low Income	\$ 25,686	\$ 3,226	\$ 39,325	\$ 20,779	\$ 984	\$ 90,000	18	1,224	23,994
5	<b>Total Low-Income</b>	\$ 25,686	\$ 3,226	\$ 39,325	\$ 20,779	\$ 984	\$ 90,000	18	1,224	23,994
<b>Commercial &amp; Industrial</b>										
6	Large C&I Custom	\$ 7,572	\$ 3,874	\$ 22,566	\$ 3,043	\$ 210	\$ 37,264	3	2,965	50,535
7	Small/Medium C&I Custom	\$ 7,632	\$ 7,066	\$ 19,159	\$ 3,086	\$ 321	\$ 37,264	5	1,599	26,716
8	<b>Total C&amp;I</b>	\$ 15,204	\$ 10,941	\$ 41,724	\$ 6,128	\$ 531	\$ 74,528	8	4,564	77,251
<b>Company Total</b>										
9	<b>Company Total</b>	\$ 55,142	\$ 21,122	\$ 126,505	\$ 42,286	\$ 1,936	\$ 246,991	229	7,589	133,227

(1) Revised Program Budgets and Goals

**Fitchburg Gas and Electric Light Company d/b/a Unitil****2008 Electric Program Results - Additional Program Participation and Savings - Winter 2008/09**

Program		Participation	Lifetime kWh	Lifetime kW	Natural Gas Lifetime Therms	Fossil Fuel Lifetime MMBTu	Typical Monthly Savings kWh (1)
MassSAVE	Original Budget	34	322,223	221	51,234	4,333	50 - 1,000 kWh/Mo
	Revised Budget	70	663,449	442	111,859	12,673	
	Increase	36	341,226	221	60,625	8,340	
Low Income Retrofit	Original Budget	33	573,157	602	39,270	6,917	50 - 1,000 kWh/Mo
	Revised Budget	40	695,004	730	63,246	7,852	
	Increase	7	121,847	128	23,976	935	

(1) Based on historic data, savings for the the majority of Unitil's program participants fall in this range.

Actual savings will depend on installed measure mix.



**Fitchburg Gas and Electric Light Company d/b/a Unitil****2008/9 Gas Program Results - Additional Program Participation and Savings - Through 4/2009**

Program		Participation	Lifetime kWh	Lifetime kW	Natural Gas Lifetime Therms	Fossil Fuel MMBTu	Typical Monthly Savings kWh (1)
Res. Weatherization	Original Budget	8	-	-	106,950	-	25 - 125 Th/Mo
	Revised Budget	13	-	-	179,577	-	
	Increase	5	-	-	72,627	-	
GasNetworks	Original Budget	129	21,089	42	94,910	-	1 - 75 Th/Mo
	Revised Budget	190	31,163	62	140,246	-	
	Increase	61	10,074	20	45,336	-	
Low Income Retrofit	Original Budget	13	742	1	170,552	-	25 - 125 Th/Mo
	Revised Budget	18	1,044	2	239,944	-	
	Increase	5	302	1	69,392	-	

(1) Based on historic data, savings for the the majority of Unitil's program participants fall in this range.

Actual savings will depend on installed measure mix.

Attachment E

M.D.P.U. No. 168 – Schedule EEC – clean version

M.D.P.U. No. 168 – Schedule EEC – redline version

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**

**ENERGY EFFICIENCY CHARGES**

**SCHEDULE EEC**

The charges listed below shall be applied to all kilowatt-hours (kWh) delivered by the Company to a Customer.

**1.01 Rates**

The Energy Efficiency Charge ("EEC") shall be \$0.00250 per kWh. The EEC will continue to be included as a separate item on the customer's bill.

In addition to the EEC, the Company shall reconcile actual expenditures incurred for Energy Efficiency programs approved by the Department of Public Utilities (the "Department") that differ from the revenues collected from the EEC through an Energy Efficiency Reconciliation Factor ("EERF"). The purpose of the EERF is to provide the Company a mechanism to adjust, on an annual basis and subject to the jurisdiction of the Department, its rates for customers of distribution service to recover all costs associated with energy efficiency and to reconcile energy efficiency revenue amounts included in the Company's distribution rates with the total expense amounts booked by the Company for energy efficiency programs.

**1.02 Applicability of EERF**

This EERF shall be applicable to all firm distribution of electricity, as measured in kilowatthours ("kWhs"), delivered by the Company unless otherwise designated. For billing purposes, the EERF shall be included in the Distribution Charge.

**1.03 Effective Date of Annual Adjustment Factor**

The date on which the annual EERF becomes effective shall be the first day of each calendar year, unless otherwise ordered by the Department. The Company shall submit EERF filings as outlined in Section 1.05 of this tariff at least 30 days before the filing is to take effect.

**1.04 EERF Formula**

$$\text{EERF}_x = (\text{EEE}_x + \text{LBR}_x - \text{EEC}_x - \text{OR}_x + \text{PPRA}_{x-1} + \text{I}_x) / \text{fKwH}_x, \text{ where}$$

$\text{EERF}_x =$	The annual Energy Efficiency Reconciliation Factor for year “x”.
$\text{EEE}_x =$	The forecasted total Energy Efficiency expenditures for year “x” as included in the Company’s Energy Efficiency plan budget, including program planning and administration costs; marketing costs; sales costs; technical assistance and training costs; evaluation and market research costs; and performance incentives.
$\text{LBR}_x =$	The Lost Base Revenues for year “x” as determined by multiplying: (a) incremental kWh savings resulting from Energy Efficiency programs as approved by the Department by (b) the respective rate category recovery rate, both as approved by the Department from time to time.
$\text{EEC}_x =$	The forecasted revenues collected from the EEC for year “x”.
$\text{OR}_x =$	Forecasted Other Revenues for year “x” to be collected by the Company under the Forward Capacity Market program administered by ISO-NE, as defined in Section 1 of G.L. Chapter 164; the cap and trade pollution control programs, including, but not limited to, and subject to Section 22 of G.L. Chapter 21A, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, as defined in subsection (a) of Section 22 of G.L. Chapter 21A, and the NOx Allowance Trading Program; or any other funding as approved by the Department for Energy Efficiency programs.
$\text{PPRA}_{x-1} =$	The Past Period Reconciliation Amount defined as the difference between (a) the amounts actually expended for the previous years for Energy Efficiency programs as approved by the Department including lost base revenue and (b) the revenues actually collected in previous years for Energy Efficiency programs as approved by the Department. Interest calculated on the average monthly balance using the customer deposit rate, as outlined in 220 CMR 26.09, shall also be included in the PPRA. The rate of interest, effective February 1 <sup>st</sup> each year, shall be the equivalent of the rate paid on two-year, United States Treasury notes for the preceding 12 months ending December 31.
$\text{I}_x =$	The estimated interest in the forecast period.
$\text{fKwH}_x =$	The Forecasted kWh is the forecasted amount of electricity to be distributed to the Company’s distribution customers for the year “x”.

#### **1.05 Information Required to be Filed with the Department**

Information pertaining to the annual EERF shall be filed with the Department at least thirty (30) days before the date on which a new EERF is to be effective. This information will be submitted with each annual EERF filing, along with complete documentation of the reconciliation-adjustment calculations.

**1.06 Customer Notification**

The Company will notify customers in simple terms of changes to the EERF, including the nature of the change and the manner in which the EERF is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each EERF filing. Upon approval by the Department, the Company must immediately distribute these notices to all of its distribution customers either through direct mail or with its bills, or as a bill message.

Deleted: T  
Deleted: E  
Deleted: 163  
Deleted: 96  
Formatted: Font:Bold

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**

**ENERGY EFFICIENCY CHARGES**

Formatted: Font:Bold

**SCHEDULE EEC**

The charges listed below shall be applied to all kilowatt-hours (kWh) delivered by the Company to a Customer.

Deleted: The Distribution Charge set forth in each Delivery Service Schedule and contract of the Company shall be adjusted by an Energy Efficiency Charge as set forth b

**1.01 Rates**

The Energy Efficiency Charge ("EEC") shall be \$0.00250 per kWh. The EEC will continue to be included as a separate item on the customer's bill.

Formatted: Font:12 pt  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt  
Formatted

In addition to the EEC, the Company shall reconcile actual expenditures incurred for Energy Efficiency programs approved by the Department of Public Utilities (the "Department") that differ from the revenues collected from the EEC through an Energy Efficiency Reconciliation Factor ("EERF"). The purpose of the EERF is to provide the Company a mechanism to adjust, on an annual basis and subject to the jurisdiction of the Department, its rates for customers of distribution service to recover all costs associated with energy efficiency and to reconcile energy efficiency revenue amounts included in the Company's distribution rates with the total expense amounts booked by the Company for energy efficiency programs.

Formatted: Font:Bold  
Formatted: Font:12 pt  
Formatted: Font:12 pt  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Indent:Left: -0.5"

**1.02 Applicability of EERF**

This EERF shall be applicable to all firm distribution of electricity, as measured in kilowatthours ("kWhs"), delivered by the Company unless otherwise designated. For billing purposes, the EERF shall be included in the Distribution Charge.

Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Indent:Left: -0.5"  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold

**1.03 Effective Date of Annual Adjustment Factor**

The date on which the annual EERF becomes effective shall be the first day of each calendar year, unless otherwise ordered by the Department. The Company shall submit EERF filings as outlined in Section 1.05 of this tariff at least 30 days before the filing is to take effect.

Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Indent:Left: -0.5"  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold  
Formatted: Font:12 pt, Not Bold

**1.04 EERF Formula**

Deleted: January 31, 2008  
Deleted: March  
Formatted: Font:12 pt, Bold

Issued: August 15, 2008

Effective: September 1, 2008

Deleted: T...E...163 [3]

Deleted: 96

$$EERF_x = (EEE_x + LBR_x - EEC_x - OR_x + PPRA_{x-1} + I_x) / FkWh_x, \text{ where}$$

Formatted [4]

Formatted: Font:12 pt, Not Bold

$EERF_x$  = The annual Energy Efficiency Reconciliation Factor for year "x",

$EEE_x$  = The forecasted total Energy Efficiency expenditures for year "x" as included in the Company's Energy Efficiency plan budget, including program planning and administration costs; marketing costs; sales costs; technical assistance and training costs; evaluation and market research costs; and performance incentives.

Formatted: Indent:Left: 0", Hanging: 1.5", Nowidow/orphan control, Tabs: 0.38", Left + 0.75", Left + 1.13", Left + 1.5", Left + 2", Left

Formatted [5]

Formatted [6]

$LBR_x$  = The Lost Base Revenues for year "x" as determined by multiplying: (a) incremental kWh savings resulting from Energy Efficiency programs as approved by the Department by (b) the respective rate category recovery rate, both as approved by the Department from time to time.

Formatted [7]

$EEC_x$  = The forecasted revenues collected from the EEC for year "x",

Formatted [8]

$OR_x$  = Forecasted Other Revenues for year "x" to be collected by the Company under the Forward Capacity Market program administered by ISO-NE, as defined in Section 1 of G.L. Chapter 164; the cap and trade pollution control programs, including, but not limited to, and subject to Section 22 of G.L. Chapter 21A, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, as defined in subsection (a) of Section 22 of G.L. Chapter 21A, and the NOx Allowance Trading Program; or any other funding as approved by the Department for Energy Efficiency programs.

Formatted [9]

$PPRA_{x-1}$  = The Past Period Reconciliation Amount defined as the difference between (a) the amounts actually expended for the previous years for Energy Efficiency programs as approved by the Department including lost base revenue, and (b) the revenues actually collected in previous years for Energy Efficiency programs as approved by the Department. Interest calculated on the average monthly balance using the customer deposit rate, as outlined in 220 CMR 26.09, shall also be included in the PPRA. The rate of interest, effective February 1<sup>st</sup> each year, shall be the equivalent of the rate paid on two-year, United States Treasury notes for the preceding 12 months ending December 31.

Formatted: Font:12 pt, Not Bold

Formatted: BodyText Indent, Indent:Left: 0", Hanging: 1.5", SpaceBefore: 0 pt, After: 6 pt

Formatted [10]

$I_x$  = The estimated interest in the forecast period.

Formatted [11]

Formatted: Nowidow/orphan control, Tabs: 0.38", Left + 0.75", Left + 1.13", Left + 1.5", Left + 2", Left

$FkWh_x$  = The Forecasted kWh is the forecasted amount of electricity to be distributed to the Company's distribution customers for the year "x".

Formatted [12]

Deleted: January 31, 2008... [13]

Formatted: Font:12 pt, Not Bold

- Deleted: T
- Deleted: E
- Deleted: 163
- Deleted: 96
- Formatted: Font: 12 pt, Underline
- Formatted: Font: 12 pt
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 10 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold
- Formatted: Font: 12 pt, Not Bold

**1.05 Information Required to be Filed with the Department**

Information pertaining to the annual EERF shall be filed with the Department at least thirty (30) days before the date on which a new EERF is to be effective. This information will be submitted with each annual EERF filing, along with complete documentation of the reconciliation-adjustment calculations.

**1.06 Customer Notification**

The Company will notify customers in simple terms of changes to the EERF, including the nature of the change and the manner in which the EERF is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each EERF filing. Upon approval by the Department, the Company must immediately distribute these notices to all of its distribution customers either through direct mail or with its bills, or as a bill message.

- Deleted: January 31, 2008
- Deleted: March



Page 1: [1] Deleted	Unitil	8/15/2008 11:33 AM
---------------------	--------	--------------------

The Distribution Charge set forth in each Delivery Service Schedule and contract of the Company shall be adjusted by an Energy Efficiency Charge as set forth below.

<u>Year</u>	<u>Effective Date</u>	<u>Energy Efficiency Charge (\$ / kWh)</u>
1998	Mar. 1, 1998	\$0.00330
1999	Jan. 1, 1999	\$0.00310
2000	Jan. 1, 2000	\$0.00285
2001	Jan. 1, 2001	\$0.00270
2002	Jan. 1, 2002	\$0.00250
2003 and thereafter	Jan. 1, 2003	\$0.00250

Prior to the expiration of the current collection period, the Company will review actual energy efficiency expenditures versus actual revenue collected through the Energy Efficiency Charge and, with interest, add that amount to or subtract that amount from the energy efficiency budget for the following year. Beginning January 1, 2007, interest shall be calculated at the customer deposit rate, as outlined in 220 CMR 26.09. The rate of interest, effective February 1<sup>st</sup> each year, shall be the equivalent of the rate paid on two-year, United States Treasury notes for the preceding 12 months ending December 31.

Page 1: [2] Formatted	Unitil	8/13/2008 10:45 AM
-----------------------	--------	--------------------

Body Text Indent, Indent: Left: 0", Hanging: 0.5", Widow/Orphan control, Keep with next, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

Page 1: [3] Deleted	Unitil	8/13/2008 1:16 PM
---------------------	--------	-------------------

T

Page 1: [3] Deleted	Unitil	8/13/2008 1:16 PM
---------------------	--------	-------------------

E

Page 1: [3] Deleted	Unitil	8/15/2008 11:34 AM
---------------------	--------	--------------------

163

Page 2: [4] Formatted	Unitil	8/13/2008 10:09 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [4] Formatted	Unitil	8/13/2008 10:09 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [4] Formatted	Unitil	8/13/2008 10:09 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [4] Formatted	Unitil	8/13/2008 10:09 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Subscript	Unitil	8/13/2008 1:18 PM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [4] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:09 AM
Page 2: [5] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:27 AM
Page 2: [5] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:27 AM
Page 2: [5] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:27 AM
Page 2: [5] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:27 AM
Page 2: [6] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:26 AM
Page 2: [6] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:26 AM
Page 2: [6] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:26 AM
Page 2: [6] Formatted	Unitil	8/13/2008 10:26 AM

Font: 12 pt, Not Bold

Page 2: [6] Formatted	Unitil	8/13/2008 10:26 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [6] Formatted	Unitil	8/13/2008 10:26 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [6] Formatted	Unitil	8/13/2008 10:26 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [6] Formatted	Unitil	8/13/2008 10:26 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [6] Formatted	Unitil	8/13/2008 10:26 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [6] Formatted	Unitil	8/13/2008 10:26 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:09 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [7] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [8] Formatted	Unitil	8/13/2008 10:09 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [8] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [8] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [8] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [8] Formatted	Unitil	8/13/2008 10:28 AM
-----------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [9] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:28 AM
Page 2: [10] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:35 AM
Page 2: [10] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:35 AM
Page 2: [10] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:35 AM
Page 2: [10] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:35 AM
Page 2: [10] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:35 AM
Page 2: [10] Formatted Font: 12 pt, Not Bold	Unitil	8/13/2008 10:35 AM
Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [10] Formatted	Unitil	8/13/2008 10:35 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [11] Formatted	Unitil	8/13/2008 1:11 PM
------------------------	--------	-------------------

Subscript

Page 2: [11] Formatted	Unitil	8/13/2008 10:28 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [12] Formatted	Unitil	8/13/2008 10:28 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [12] Formatted	Unitil	8/13/2008 10:28 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [12] Formatted	Unitil	8/13/2008 10:29 AM
------------------------	--------	--------------------

Not Superscript/ Subscript

Page 2: [12] Formatted	Unitil	8/13/2008 10:28 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [12] Formatted	Unitil	8/13/2008 10:28 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 2: [12] Formatted	Unitil	8/13/2008 10:28 AM
------------------------	--------	--------------------

Font: 12 pt, Not Bold

Page 1: [13] Deleted	Unitil	8/15/2008 11:37 AM
----------------------	--------	--------------------

January 31, 2008

Page 1: [13] Deleted	Unitil	8/15/2008 11:39 AM
----------------------	--------	--------------------

March